

November 29, 1995

Before the  
Federal Communications Commission  
Washington, DC 20554

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In the Matter of )  
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Advanced Television Systems )  
and Their Impact Upon the )  
Existing Television Broadcast )  
Service )

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TO: The Commission

**STATEMENT OF EDWARD T. REILLY**  
**PREPARED FOR THE 12/12/95 EN BANC HEARING ON ATV**

**Executive Summary**

Digital HDTV will come. But it will be available over our universally available broadcast system only if the Commission assigns transitional 6 MHz channels so that broadcasters can upgrade their service to ATV without prematurely disenfranchising viewers that depend on NTSC. Competition demands it, the public deserves it, and existing broadcasters are uniquely ready and able to respond to it. The market will be the best judge of the desirability of any given ATV service but the Commission and broadcasters should commit to giving the public a chance to view and judge the options. Broadcasters look forward to moving to ATV as quickly as possible to provide the mass market for the HDTV platform which will become the world standard.

**The Association for Maximum Service Television (MSTV):** MSTV is an association of more than 300 television stations which for forty years has worked to enhance and preserve the technical quality of local television service to the public and station access to new technologies. MSTV spearheaded the 1987 broadcast industry petition for the FCC to initiate its ATV inquiry, to establish its blue-ribbon advisory committee and to preserve spectrum for the transition to ATV. The association was instrumental in creating the Advanced Television Test Center and has been active in all aspects of the ATV process. MSTV has drafted a coordinated six joint industry filings and numerous individual filings in the FCC's ATV proceeding.

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**Biography:** Edward T. Reilly is Chairman of the Association for Maximum Service Television (MSTV) and the President of McGraw-Hill Broadcasting Company. He is responsible for The McGraw-Hill Companies' four television stations, all ABC network affiliates: KMGH-TV, Denver; WRTV, Indianapolis; KGTV, San Diego; KERO-TV Bakersfield.

Before his appointment in 1987 to his current position, Mr. Reilly was named Executive Vice President and Chief Operating Officer in 1986. He joined the McGraw-Hill Broadcasting Company in 1985 as Senior Vice President.

Earlier, Mr. Reilly held a number of positions in other McGraw-Hill divisions. In 1983, he was appointed Executive Vice President of the International Group, overseeing McGraw-Hill's 17 operating subsidiaries worldwide. In 1981, he was named Group Vice President for Europe, Africa and the Middle East, responsible for McGraw-Hill's five operating companies in those countries. In 1980, he relocated to the United Kingdom to assume responsibility as Managing Director of McGraw-Hill's U.K. book publishing subsidiary. In 1978, he became General Manager of Instructo/McGraw-Hill, a subsidiary which designed and manufactured school supplies and instructional materials. In 1975, he was named Controller of CTB/McGraw-Hill, the division which develops and scores national norm referenced and criterion referenced tests. In 1971, he joined the Gregg and Community College Division of McGraw-Hill Book Company, first as Business Manager and later as Editor-in-Chief of the Accounting, Computing and Business Mathematics Department. He joined McGraw-Hill upon his graduation from college in 1968 in the Company's Financial Management training Program.

Mr. Reilly has served as Chairman of MSTV since April 1994. He is immediate past Chairman of the Board of the Television Bureau of Advertising, a Member of the Advanced Television Test Center's (ATTC) Board of Directors, a Member of the Board of Directors of the Television Operators Caucus, Inc. (TOC), and a Member of the Board of Governors for the ABC Television Affiliates Association and Chairman of its Government Relations Committee. He also is the McGraw-Hill Companies representative on the Magazine Publishers of America, New Media Committee. He serves on the Board of the International Radio & Television Foundation, Inc. (IRTF), sits on the Board of the Advertising Council, Inc., and is a Member of the Corporate Advisory Council of the National Council of La Raza.

He holds a degree in business administration from St. Francis College in Brooklyn, New York.

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The Association for Maximum Service Television (MSTV), the organization that I chair, is a non-profit trade association of more than 300 local television stations committed for forty years to achieving and maintaining the highest technical quality for America's free over-the-air broadcasting system.

Our forefathers developed and we have continued the broadcasting business system which is totally supported by advertising and available to all. It maintains local control over programming and news and continually strives to serve the public interest. It provides the bedrock of competition not only in content but as a delivery system among a long list of more recent multichannel distributors. In addition to making programming available to all the public (and serving as the only source for 35%), we provide the principal price competition to those who charge for every element of television programming and distribution.

Since the 1970s, we have known that "the highest technical quality" in a world of

rapidly improving audiovisual products would require broadcasters to take a giant leap forward. From the beginning, we believed this leap would be into HDTV. For the past several years, we have known that it would be digital HDTV. Digital HDTV will come. But it will be accessible over our universally available broadcast system only if the Commission assigns transitional 6 MHz channels so that broadcasters can upgrade their service to ATV without prematurely disenfranchising viewers that depend on NTSC. Competition demands it, the public deserves it, and existing broadcasters are uniquely ready and able to respond to it.

Without this transitional spectrum, HDTV will be available only to those with the means or inclination to pay for it. Such a "split audience" will undermine the economic platform that the network/syndicator broadcasters business model drives, further adding to the viewer costs of acquiring programming. Eventually, the programs offered on free, low-definition television will suffer by comparison as the pay services seek exclusive distribution to force more people to "sign up". This, in turn, will greatly weaken the ability of local analog stations to fulfill their public service obligations.

MSTV agrees with the Commission that the market will be the best judge of the desirability of any given ATV service. What the Commission and broadcasters should commit to is giving the public a chance to view and judge the options. That is why broadcasters are committed to programming substantial amounts of the broadcast day, including prime time, in HDTV. In addition to the heavy investments we will have to make to convert our stations for ATV transmissions, we are prepared to purchase and produce HDTV programming. We are ready to exploit the packetized capabilities of the Grand

Alliance system by experimenting with the delivery of program-related material even during the slower-motion moments of HDTV broadcasts. What we need from the Commission are technically sound channel assignments, the implementation of must-carry requirements, and ATV receiver standards. If the Commission determines that, in addition, regulated reasonable and practical HDTV minimums are necessary to give the service a fair market trial, we are prepared to comply.

Our eagerness to go forward with the transition to ATV, and HDTV in particular, stems from our confidence that we know how to do broadcasting. Beginning with RCA's first television field test in 1935 and the first demonstration of color in 1940, we have known how to match programming with the technical capabilities of television. But just as Marconi did not imagine radio would be used for far more than ship-to-shore communications, we don't always know where the future will take us. Certainly, we do not know precisely where HDTV will go. The glossy, highly produced magazine wasn't just an "upgrade" of the newspaper. It created a new form in publishing. In the same way, HDTV, while on its face is simply a technical upgrade, promises to transform the way we watch television and what we see.

I personally believe that a new, expanded public service contributions could well develop in a digital ATV world. Such a notion, however, is dependent on the development of some form of large scale multichannel, text-compatible environment. None of us knows what that will look like so it is quite premature to specify those new standards other than to say that the opportunities they could afford will be lost forever if auctions change the face of over-the-air broadcasting and bias the whole system toward subscription services.

As the transition progresses, program producers will harness HDTV's capabilities to new art forms. One we already have seen is a dramatization of the Yalta Conference (a scene of which was screened at the Test Center). Shot in HDTV, this production allowed the viewer to see the letters Stalin and Churchill scrawled as they divided up Europe. Such production value adds an immediacy that turns an otherwise staid scene into high drama and creates an impetus for experimentation in new styles. Naturally, already vivid presentations like sports will take on even greater vivacity. We also believe that HDTV will enable first-time broadcasts of 35 mm films that may not have fared well with NTSC resolution and so open up a new cache of free programming to the public.

We look forward to bringing about these advances and to enticing the American public away from NTSC and onto ATV as quickly as possible. We will provide the mass market for the HDTV platform which will become the world standard. This will allow the thriving United States entertainment industry to continue to be the world leader and produce billions of dollars of positive trade. And, most important, we will transition the public benefits of our free, universally available, community-based television system into the digital era.

Respectfully submitted,

**ASSOCIATION FOR MAXIMUM  
SERVICE TELEVISION, INC.**

/s/ Edward T. Reilly  
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